

Message Text

PAGE 01 NATO 05917 241846Z

61

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-05 L-01 ACDA-05

NSAE-00 PA-01 RSC-01 PRS-01 SP-02 USIA-06 TRSE-00

SAJ-01 SS-15 NSC-05 OMB-01 /060 W

----- 109752

R 241650Z OCT 74

FM USMISSION NATO

TO SECSTATE WASHDC 8384

SECDEF WASHDC

INFO USNMR SHAPE

USLOSACLANT

CINCLANT

USCINCEUR

C O N F I D E N T I A L USNATO 5917

E.O 11652: GDS

TAGS: EFIN, NATO

SUBJECT: FUNCTIONAL AND REGIONAL ANALYSIS OF DEFENSE EXPENDITURES

REF: USNATO 5051

BEGIN SUMMARY: AD HOC WORKING GROUP (WG) ON DATA REQUIREMENTS FOR A FUNCTIONAL/REGIONAL ANALYSIS OF DEFENSE EXPENDITURES IS TO DISCUSS ON OCTOBER 31 CHAIRMAN'S DRAFT REPORT TO EWG AND FINANCIAL DATA CURRENTLY

IN USE AT NATIONAL LEVEL. ACTION REQUESTED: WASHINGTON COMMENTS ON DRAFT REPORT TO EWG AND US RESPONSE TO QUESTION ON NATIONAL COSTING SYSTEM REQUESTED IN REFTEL. END SUMMARY.

1. CHAIRMAN, AD HOC WORKING GROUP (WG) ON FUNCTIONAL/REGIONAL ANALYSIS

OF DEFENSE EXPENDITURES HAS CIRCULATED A DRAFT REPORT TO EWG (AC/281(DR)-WP(74)3), WHICH WG IS TO DISCUSS ON OCTOBER 31. WE UNDERSTAND DRAFT REPORT (QUOTED BELOW), WHICH WILL BE ANNEXED TO CHAIRMAN'S FINAL REPORT ON JUNE 20/21 NATIONAL EXPERTS MEETING, REPRESENTS CONSLUSIONS/RECOMMENDATIONS SECTION CITED IN PARA 1
CONFIDENTIAL

PAGE 02 NATO 05917 241846Z

OF REFTEL. TEXT OF DRAFT REPORT FOLLOWS. BEGIN TEXT: THE SUB-GROUP SET

UP IN AUGUST 1973 HAS NOW FULLY EXAMINED THE FEASIBILITY OF OBTAINING SUPPLEMENTARY DATA THAT WOULD PERMIT A FUNCTIONAL

AND REGIONAL ANALYSIS OF NATO DEFENCE EXPENDITURES, AND THE REPORT THAT FOLLOWS SETS OUT THE CONCLUSIONS REACHED.

2. IT MAY BE RECALLED THAT IN MAY THIS YEAR THE RESULTS OF THE INITIAL STEPS TAKEN BY THE SUB-GROUP TO OBTAIN A FUNCTIONAL BREAKDOWN OF EXPENDITURES LIMITED TO MAJOR EQUIPMENT WERE INCORPORATED IN THE RESOURCES SECTION OF THE 1974 SPRING AD 70 REPORT. SUCH DATA PROVIDED ONLY A PARTIAL RESPONSE TO THE REQUIREMENT FOR A FUNCTIONAL AND REGIONAL ANALYSIS COERING ALL THE EXPENDITURES MADE FOR NATO DEFENCE AND IN JUNE THIS YEAR A MEETING WITH NATIONAL EXPERTS WAS HELD TO CONSIDER MEANS OF OBTAINING THE DATA NECESSARY FOR THE TYPE OF ANALYSIS ENVISAGED. THE CONCLUSIONS REACHED(1) ARE THAT IT WOULD NOT BE FRUITFUL TO PRESS FURTHER FOR DATA ALONG THE LINES FORMULATED. SEVERAL COUNTRIES COULD NOT AT PRESENT PROVIDE SUCH DATA BEYOND THE EFFORT ALREADY MADE CONCERNING MAJOR EQUIPMENT EXPENDITURES. OTHERS WERE IN THE PROCESS OF DEVELOPING FINANCIAL DATA OF A FUNCTIONAL TYPE, BUT WITH DEFINITIONS RELATING TO PURELY NATIONAL NEEDS. CONSEQUENTLY, A SPECIAL PRIORITY WOULD BE NEEDED TO LAUNCH, AT THIS TIME, A PROGRAMME TO COLLECT FINANCIAL DATA SUFFICIENT TO PERMIT A FULL FUNCTIONAL AND REGIONAL ANALYSIS.

3. THE EXECUTIVE WORKING GROUP, IF IT CONSIDERED SUCH A STEP ESSENTIAL, WOULD NEED TO TAKE THE NECESSARY DECISION. HOWEVER, THE SUB-GROUP, FULLY RECOGNISING THAT THERE IS A NEED FOR NATO-WIDE FUNCTIONAL DATA TO SUPPORT THE ON-GOING AD 70 STUDIES, PROPOSE KTHAT THE FEASIBILITY FOR DRAWING ON AVAILABLE NATIONAL DATA BE EXAMINED BEFORE FURTHER ACTION IS TAKEN, AND IN THISRESPECT SOME COUNTRIES HAVE ALREADY SUBMITTED RELEVANT INFORMATION(2). THE EXECUTIVE WORKING GROUP MIGHT THEREFORE WISH THAT THE SU-GROUP CONTINUE TO COLLECT SUCH INFORMATION AND REPORT WITHIN THE NEXT THREE MONTHS ON HOW SUCH DATA MIGHT BE DRAWN ON FOR AD 70 PURPOSES. IN THIS RESPECT THE SUB-GROUP ALSO NOTED THAT DISCUSSIONS ARE CURRENTLY IN PROGRESS ON THE FUTURE DIRECTION OF THE AD 70 EXERCISE. IN THESE CIRCUMSTANCES A REPORT AT THE BEGINNING OF 1975 MIGHT USEFULLY INDICATE THE TYPE OF FINANCIAL BACK-UP MATERIAL THAT SHOULD BE OBTAINED.
CONFIDENTIAL

PAGE 03 NATO 05917 241846Z

(1) SEE REPORT ON MEETING WITH EXPERTS (AC/281(DR)-REPORT(74)1)

(NOTE: THIS SHORT REPORT TO BE ANNEXED TO FINAL VERSION OF THIS PAPER)

(2) SEE AC/281(DR)-DS(74)7, ITEM II.2 END TEXT.

2. MISSION UNDERSTANDS FROM CHAIRMAN THAT LANGUAGE IN DRAFT REPORT ON NEED FOR NATO-WIDE FUNCTIONAL DATA TO SUPPORT ON-GOING AD-70 STUDIES REFERS ESSENTIALLY TO EWG WORK ON RATIONAL-IZATION/SPECIALIZATION (R/S). AT OCTOBER 31 MEETING, WE INTEND TO ASK THAT REPORT SPELL OUT NEED FOR BETTER COST DATA FOR A VARIETY OF PURPOSES SUCH AS R/S.

3. AT OCTOBER 31 MEETING, WG WILL ALSO DISCUSS FINANCIAL DATA

CURRENTLY IN USE AT NATIONAL LEVEL. AGENDA INDICATES IS HAS
RECEIVED INFORMATION (TO BE CIRCULATED) ON BELGIAN AND NORWEGIAN
COSTING SYSTEMS. ONCE IS CIRCULATES NATIONAL COST INFORMATION,
WE WILL AIRMAIL IT TO OSD/ISA.
MC AULIFFE

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 JUN 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ATO05917
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741091/abbryyay.tel
Line Count: 115
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: USNATO 5051
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 11 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 APR 2002 by boyleja>; APPROVED <28-Oct-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FUNCTIONAL AND REGIONAL ANALYSIS OF DEFENSE EXPENDITURES
TAGS: EFIN, NATO
To: STATE
SECDEF INFO USNMR SHAPE
USLOSACLANT
CINCLANT
USCINCEUR
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

